

PUBLIC SESSION AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
APRIL 23, 2013
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC

I. Administrative Items

A. Call to Order

In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. Does any Board member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

B. Welcome and Introduction of Guests

C. Approval of Agenda

D. Minutes

E. Financial/Budgetary Items

1. Financial Statements for March 2013

II. Legislative & Rule-Making Items

III. National Organization Items

IV. State & Local Organization Items

A. Review of Memorandum of Agreement with the Local Government Commission, Office of the State Auditor, the NCACPA, and the Board

V. Request for Declaratory Ruling

VI. Committee Reports

A. Professional Standards

B. Professional Education and Applications

VII. Public Comments

VIII. Closed Session

IX. Executive Staff and Legal Counsel Report

X. Adjournment

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
March 20, 2013
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Jose R. Rodriguez, CPA, President; Barton W. Baldwin, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Tawannah G. Allen, Ed.D.; Bucky Glover, CPA; John M. Kledis, CPA; and Michael H. Womble, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Jay Leseman, CPA, Chair, NCACPA; Giles K. Almond, CPA; Murchison B. Biggs, CPA; Stephen D. Bitter, CPA; L. McNeil Chestnut, Esq.; O. Charlie Chewing, Jr., CPA; Lori G. Church, CPA; Wm. Hunter Cook, CPA; Scott L. Cox; Herman F. Fox; Nathan T. Garrett; C. Richard Hubbard; Maylon E. Little, CPA; Steve E. Moss, CPA; William E. Self; R. Stanley Vaughan; Arthur M. Winstead, Jr., CPA; Thomas H. Woolen; Gaylen Hansen, CPA, Chair, NASBA; Ken Bishop, President, NASBA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; and Curt Lee, Legislative Liaison, NCSA.

CALL TO ORDER: President Rodriguez called the meeting to order at 3:04 p.m.

MINUTES: The minutes of the February 25, 2013, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The February 2013 financial statements were accepted as submitted.

Mr. Barham presented information on structured CDs as an investment vehicle for Board reserve funds.

ELECTION OF 2013-2014 OFFICERS: Messrs. Baldwin and Glover moved to nominate Mr. Rodriguez for the position of President. Motion passed seven (7) affirmative and zero (0) negative votes.

Messrs. Baldwin and Rodriguez moved to nominate Mr. Glover for the position of Vice President. Motion passed seven (7) affirmative and zero (0) negative votes.

Messrs. Baldwin and Glover moved to nominate Ms. Lynch for the position of Secretary-Treasurer. Motion passed seven (7) affirmative and zero (0) negative votes.

LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Brooks provided an update on legislation that is directed at occupational licensing boards.

NATIONAL ORGANIZATION ITEMS: Mr. Kledis and Dr. Allen moved to approve the draft response to the AICPA Exposure Draft on Proposed Statements on Standards for Accounting and Review Services, *Review of Financial Statements and Review of Financial Statements – Special Considerations*. Motion passed.

President Rodriguez recognized Gaylen Hansen, CPA, Chair of NASBA, and Ken Bishop, President of NASBA, for their comments. Mr. Hansen and Mr. Bishop spoke and then, on behalf of NASBA, presented the Board with an award recognizing the 100th anniversary of the Board and its service in protecting the public.

President Rodriguez recognized Suzanne Jolicoeur, the Senior Manager of State Regulation & Legislation for the AICPA, for her comments. Ms. Jolicoeur read and presented a letter from Barry Melancon, CPA, President of the AICPA, which congratulated the Board for its 100 years of service to the CPA profession and public (Appendix I).

Mr. Rodriguez recognized Mr. Baldwin for an announcement regarding a recommendation from the NASBA Nominating Committee. Mr. Baldwin stated that the Committee has recommended Walter C. Davenport, CPA, for NASBA Vice Chair 2013-2014. Mr. Davenport will assume the duties of NASBA Chair for 2014-2015. Mr. Davenport is the third North Carolinian to serve as NASBA Chair. Mr. Baldwin and Nathan T. Garrett previously served as NASBA Chairs. Mr. Glover commented on the announcement and commended the Board for the leadership it has provided to NASBA over the years.

STATE AND LOCAL ORGANIZATION ITEMS: President Rodriguez recognized Jay Lesemann, CPA, Chair of the NCACPA, for his comments. Mr. Lesemann, on behalf of the NCACPA and its members, thanked the Board for its 100 years of service to the citizens of North Carolina and North Carolina CPAs. Mr. Lesemann will present a letter (Appendix II) from the NCACPA to the Board at the NCACPA meeting on March 21, 2013.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Baldwin moved and the Board approved the following recommendations of the Committee:

Case No. C2012302-1 – David Norby, CPA, PC – Approved the signed Consent Order (Appendix III).

Case No. C2012327 - Stephen Himmelberg - Approve the signed Consent Order (Appendix IV).

Case No. C2012394 - Richard Saiff - Approve the signed Consent Order (Appendix V).

Case No. C2012190 - John F. Snyder - Approve the signed Consent Order (Appendix VI).

Case No. C2012073 - Close the case without prejudice and with a Letter of Warning.

Case No. C2012214 - Close the case without prejudice and with a Letter of Warning.

Case No. C2013004 - Close the case with prejudice.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Ms. Lynch moved and the Board approved the following recommendations of the Committee:

Original Certificate Applications - The following were approved:

Heidi Louise Andreasen
Adam Michael Angstadt
Sally Margaret Averett
Lindsay Nina Clark
Crystal B. Climer
Jack Murdoch Coman
Tracy Jackson Dowdy
Wesley David Edwards
Carissa Janelle Frampton
Martha Hensley
Michael Anthony Jankowski
Pamela Christine Lane
Esther Lee
Kathleen Dianne Leopard

Courtney Lee Little
Joseph John Mark III
Jamie Linn Pennell
Ryan James Perkins
Adam Phillips Pierson
Kyle Timothy Reeves
William Adam Robertson
Anthony Tyler Saxton
Mark Becton Thompson Jr.
Jason Louis Watkins
Angi Ruth West
James Douglas Wilson
Yahli Zhao

Reciprocal Certificate Applications - The following were approved:

Rebecca Ashley Jones

Thomas Paul Recchuiti

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Mark Alan Simpson T7259
Erin Michelle Kelley T7260
Rosanne Jane Brown T7261

Jason Andrew Benziger T7262
Steven Andrew Lamm T7263
Patricia Ann Perzel T7264

Reissuance of New Certificate - Applications for reissuance of new certificate submitted by the following were approved.

Rosalind Castillo Compton #17372
Beverly Wilson Meredith #27053

Sabrina Kay Simpson #21519

Retired Status Applications - The Committee approved the following requests for retired status because the individuals are completely retired and do not receive any earned compensation for current personal services in any job whatsoever:

Luis Eugenio Timothee #21162

Janet Benfield Wooten #17377

Extension Requests - The Committee approved Jonathan Dunham Longfellow, Jr., (#11032) for extension for completion of CPE until June 30, 2013.

Examinations - The Committee reviewed and approved the following staff-approved applicants to sit for the Uniform CPA Examination:

Kodjo Akakpovi
Sahirah Al-Uqdah
Alexandra Alieva
Aigul Amankulova
Beren Armstrong
Meghan Ayscue
Christopher Bass
Melissa Betka
Gagandeep Bindra
Dexter Blackwell
Susan Blake
Ellen Blankenship
Alexander Bouknight
Daniel Braboy
Austin Bramble
Adam Brawley
Andrea Bridges
Kimberly Byrd
Nina Calderone
Rowena Carney
Michael Carnicelli
Leslie Chandler
Dionne Chavis
Baron Chen
Nicholas Ciamaricone

Katelyn Clark
Brady Combs
Rachael Constable
David Cooper
Forest Corwin
Allison Coward
Amanda Creech
Matthew Crocker
Madison Crum
Reuben Dalton
Monica Davis
Bradley Dey
Mai Doan
Melissa Dougher
Diane Dreffer
Felicia Edwards
Alison Eisenberg
Glenn Evans
William Evans
Tatyana Fesyuk
Teresa Fife
Natalie Flannery
Justin Foley
DeAnna Ford
Adam Gattoni

Philip Gooding
Kristin Green
Benjamin Gregory
David Hamilton
Ashley Hardy
George Hendrix
Anna Hergenrader
Jeremy Hiatt
Steven Hogan
Li Huang
Claire Hudson
Brianna Hughes
Meagan Ignatowicz
Stephanie Jarvis
Tanya Jenkins
Nicole Jones
Jordan Kay
Ezekiel Kayode
Evelyn Kelley
Ralph Kennedy
Charlotte Keppler
Mohammad Khan
Lauren Killick
Euna Kim
Andrea Lambert
Sidonie Lawrence
Kevin Lee
Hanmei Lei
Mary Leonard
Larysa Lim
Matthew Linder
Edward Linton
Evelyn Makatiani
Jennifer Maready
Griffin Mazur
Wilson McGuire
Chad McManus
William Mebane
Susan Meisenbach
Lucas Michaels
Sara Miller
Travis Miller
Rubin Moise

Brooke Molineux
Christopher Moltke-Hansen
Addison Moore
Kaitlyn Moore
Ryan Moore
Susanne Muecke
Jack Murphy
Newsam Mutamba
Renee Neyman
Jianming Ni
Phillipp O'Neil
Lakeisha Odom
Anthony Okunak
Emily Oliver
Mary Ouzts
Michael Palmer
Stephen Parker
William Perrault
Margret Phelps
Kelly Pittman
April Presswood
Robert Prim
Stephen Puckett
Ellen Quinby
Kristie Race
Brooke Regensburg
Judyth Riddick
Cynthia Roeder
Craig Roisum
Meridith Rosborough
Brian Roundtree
Robert Rowe
Karen Rubin
Christopher Sainz
Sarah Sanford
Andrew Schwarz
Elizabeth Senczy
Fang Shen
Ying Shen
Chon Shoaf
Joshua Sizemore
Grady Smyth Gilbert
Tammy Southerland

Hannah Stamey
Jennifer Staton
Kathleen Stroud
Amy Szalaj
Allison Taylor
Tamara Temple
Kelsey Thrasher

Andrew Tilley
Maurine Underwood
William Walters
Richard Warner
Thomas Weaver
John Whitley
Laronda Williams

Letters of Warning - Staff received and recommended approval of the requests to rescind the letters of warning awarded to the individuals listed below. The Committee approved staff recommendation:

Larry Dean Boykin #19226

Anne Margret McHugh #27759

100TH ANNIVERSARY PROCLAMATION FROM THE OFFICE OF THE GOVERNOR:
Mr. Rodriguez presented and read the Governor Pat McCrory's proclamation (Appendix VII) recognizing the 100th anniversary of the Board and its service to the citizens and businesses of the State.

President Rodriguez recognized the following former Board members in attendance for their years of service to the Board and presented each individual with a memento of the 100th anniversary of the Board:

Giles K. Almond, CPA
Murchison B. Biggs, CPA
Stephen D. Bitter, CPA
L. McNeil Chestnut, Esq.
O. Charlie Chewing, Jr., CPA
Lori G. Church, CPA
Wm. Hunter Cook, CPA
Scott L. Cox
Herman F. Fox

Nathan T. Garrett
C. Richard Hubbard
Maylon E. Little, CPA
Steve E. Moss, CPA
William E. Self
R. Stanley Vaughan
Arthur M. Winstead, Jr., CPA
Thomas H. Woolen

President Rodriguez recognized the following individuals in attendance for their on-going relationship with the Board and presented each individual with a memento of the 100th anniversary of the Board:

Gaylen Hansen, CPA, Chair, NASBA
Ken Bishop, President, NASBA
James T. Ahler, CEO, NCACPA

Curt Lee, NCSA
Suzanne Jolicoeur, AICPA

President Rodriguez recognized, in order of length of service to the Board, each member of the Board staff and presented each individual with a memento of the 100th anniversary of the Board:

Felecia Ashe - 28 years, 3 months
Phyllis Elliott - 27 years, 3 months
Alice Grigsby - 26 years, 11 month
Robert Brooks - 26 years, 11 months
Buck Winslow - 26 years, 6 months
Ann Hinkle - 25 years, 11 months
Lisa Hearne - 16 years, 6 months

Mike Barham - 9 years, 3 months
Vanessia Willett - 8 years, 5 months
Mary Beth Britt - 7 years, 7 months
Cammie Emery - 5 years, 2 months
Frank Trainor - 2 years, 2 months
Adrienne Trainor - 1 year, 2 months
Betty Boyd (part-time) 12 years, 3 months

President Rodriguez recognized Noel Allen, Legal Counsel to the Board, for his 30 years of service to the Board and presented him with a memento of the 100th anniversary of the Board.

ADJOURNMENT: Messrs. Womble and Kledis moved to adjourn the meeting at 4:07 p.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Jose R. Rodriguez, CPA
President



American Institute of CPAs
1211 Avenue of the Americas
New York, NY 10036-8775

March 18, 2013

Appendix I

Jose R. Rodriguez, Chair
North Carolina State Board of CPA Examiners
1101 Oberlin Road
Suite 104
Raleigh, NC 27605-2827

Dear Jose:

On behalf of the American Institute of Certified Public Accountants (AICPA), we would like to extend our warmest congratulations to the North Carolina Board of CPA Examiners on the celebration of its 100th anniversary.

This milestone provides an opportunity to reflect upon the role board members and staff, both past and present, have played in the growth and development of the CPA profession. In the 100 years since the Board's formation, the Board's role has gone far beyond that of the issuer of CPA certificates to a vital protector of the public interest and a valued partner in working for the good of the profession. The AICPA is proud to be located in North Carolina and have so many of our AICPA team members be North Carolina CPAs.

We thank you for the work you have done on behalf of North Carolina CPAs and the citizens of North Carolina, and look forward to our continued partnership in the years to come.

Sincerely,

AICPA

A handwritten signature in black ink, appearing to read "B. C. Melancon".

Barry C. Melancon, CPA, CGMA
President and CEO

cc: Robert Brooks, Executive Director
North Carolina Board of CPA Examiners



Appendix II

**To the members and staff of the North Carolina State Board of CPA
Examiners on your 100th Anniversary**

The North Carolina Association of Certified Public Accountants, representing over 14,000 CPAs, is pleased and proud to recognize and celebrate the State Board's 100 years of service to the citizens of this state and the CPAs. The NC State Board of CPA Examiners is nationally recognized for its leadership and effectiveness in the regulation of the accounting profession and the protection of the public.

We know our profession is stronger because of the work performed by the members of the board and the staff. We likewise recognize the great reputation you have amongst all CPA licensing boards, and with the National Association of State Boards of Accountancy.

We appreciate the great working relationship that exists between our organizations. We thank you for your willingness to reach out to us to discuss issues of mutual interest.

On behalf of the board of directors, our members and the staff of the North Carolina Association of CPAs, we express our sincere congratulations to you on your 100th anniversary.

Signed,

James A. Lesemann, Jr., CPA, CGMA

Chair of the Board

March 21, 2013

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012302-1

IN THE MATTER OF:
David Norby, CPA, P.C.
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent David Norby, CPA, P.C. (hereinafter "Respondent firm"), is a registered certified public accounting corporation in North Carolina.
2. Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of December 21, 2011.
3. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent firm was required to submit to the Board a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.
4. Respondent firm provided only a Final Letter of Acceptance to the Board.
5. Respondent firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina



Consent Order - 2
David Norby, CPA, P.C.

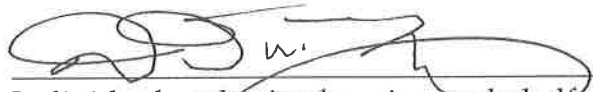
Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent firm's failure to submit to the Board copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4).
3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent firm agree to the following Order:

1. Respondent firm is censured.
2. Respondent firm shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted with this signed Consent Order.
3. Respondent firm's professional staff shall take at least eight (8) hours of Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

CONSENTED TO THIS THE 14TH DAY OF FEBRUARY, 2013.


Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 10 DAY OF MARCH, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President



NORTH CAROLINA
WAKE COUNTY

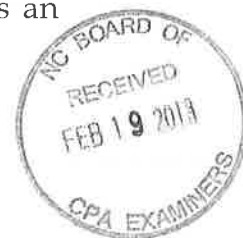
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012327

IN THE MATTER OF:
Stephen M. Himmelberg, #21904
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and the Respondent stipulate to the following:

1. Respondent Stephen M. Himmelberg (hereinafter "Respondent") was the holder of North Carolina certificate number 21904 as a Certified Public Accountant.
2. At all relevant times, Respondent was the sole shareholder and operator of Stephen M. Himmelberg, CPA, PA ("Firm"), and was responsible for the Firm's actions.
3. Respondent's certificate was suspended, and the Firm's registration was cancelled for a period of one year on May 21, 2012.
4. While the Respondent's certificate was active, the Respondent's Firm, then a professional corporation, received a "fail" on its most recent engagement peer review, with an acceptance letter date of December 21, 2011.
5. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent's Firm was required to submit to the Board a Peer Review Report, Letter of Response, and Final Letter of Acceptance.
6. However, on December 22, 2011, the Respondent, on behalf of the Firm, only submitted a copy of the peer review acceptance letter to the Board.
7. Respondent's recent disciplinary matter was considered by the Board as an aggravating factor.



Consent Order - 2
Stephen M. Himmelberg

8. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's failure to submit to the Board, on behalf of the Firm, copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4).
3. Respondent's willful violation of the peer review reporting requirements is a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent Stephen M. Himmelberg is suspended until May 21, 2015.
2. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted with this signed Consent Order.

CONSENTED TO THIS THE 13 DAY OF February, 2013.

Stephen M. Himmelberg
Respondent



Consent Order - 3
Stephen M. Himmelberg

APPROVED BY THE BOARD THIS THE 20 DAY OF MARCH
2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: _____

President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012394

IN THE MATTER OF:
Richard S. Saiff, #27065
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following Findings:

1. Respondent is the holder of North Carolina certificate number 27065 as a Certified Public Accountant.
2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and December 31, 2011, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.
3. Based on Respondent's representation, the Board accepted his Renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 CPE requirements.
5. Respondent failed to provide the certificate or certificates of completion needed to document completion of any of the CPE that Respondent claimed he earned between January 1, 2011, and December 31, 2011, as was reported on his Renewal. Respondent contends that the computer on which he maintained his CPE records stopped working in September 2012, and he has been unable to recover the records relating to his 2011 CPE.
6. Respondent was previously disciplined for his failure to complete CPE requirements for 1999 and 2000.
7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex



parte, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code including the Rules of Professional Ethics and Conduct promulgated and adopted herein by the Board.
2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this Order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent's failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent's failure to adequately renew his certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).
2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.
3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order and until the civil penalty required in number five (5) of this Order has been paid by Respondent.
4. Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and



- d. Eighty (80) hours of CPE in the twelve (12) months preceding the application including an (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a group-study format.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted to the Board prior to submitting a reissuance application.
6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

CONSENTED TO THIS THE 19th DAY OF February, 2013.


Respondent

APPROVED BY THE BOARD THIS THE 20 DAY OF MARCH, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012190

IN THE MATTER OF:
John F. Snyder, #9905
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. John F. Snyder (hereinafter "Respondent") is the holder of North Carolina certificate number 9905 as a Certified Public Accountant.
2. Respondent was engaged by a client to prepare the client's personal tax returns.
3. The client filed a complaint with the Board against Respondent.
4. Upon receipt of the complaint, the Board issued letters of inquiry to Respondent. The first letter was issued via regular mail. Respondent did not respond. The second letter was sent via certified mail. Respondent received that mailing but failed to respond within the 21-day deadline set forth at 21 NCAC 08N .0206.
5. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina



Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0206.
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent is censured.
2. Respondent shall remit, with the signed Order, a one thousand dollar (\$1,000.00) civil penalty.

CONSENTED TO THIS THE 18th DAY OF February, 2013.



Respondent

APPROVED BY THE BOARD THIS THE 20 DAY OF MARCH, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 

President





State of North Carolina

PAT McCRORY
GOVERNOR

100TH ANNIVERSARY OF THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

2013

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

A PROCLAMATION

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners, formerly the North Carolina State Board of Accountancy, was created by the North Carolina General Assembly on March 12, 1913; and

WHEREAS, the Board has and continues to administer the Uniform CPA Examination and issue certificates of qualification as a Certified Public Accountant to qualified individuals; and

WHEREAS, the Board has and continues to protect the citizens and businesses of North Carolina by ensuring that individuals using the Certified Public Accountant credential are qualified and licensed to provide services; and

WHEREAS, the Board remains diligent in its enforcement of the statutes and rules in protecting the citizens and businesses of North Carolina; and

WHEREAS, in the regulation of Certified Public Accountants in North Carolina, the Board is at the forefront of the protection of citizens and businesses; and

WHEREAS, the State of North Carolina is proud to recognize past and present members, staff, and all organizations related to the North Carolina State Board of Certified Public Accountant Examiners whose dedication has ensured the integrity of certified public accountants for 100 years;

NOW, THEREFORE, I, PAT McCRORY, Governor of the State of North Carolina, do hereby proclaim March 12, 2013, in honor of the "100th ANNIVERSARY OF THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS" in North Carolina, and commend its observance to all citizens.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of North Carolina at the Capitol in Raleigh this eleventh day of March in the year of our Lord two thousand and thirteen, and of the Independence of the United States of America the two hundred and thirty-seventh.



Pat McCrory
PAT McCRORY
Governor

Financial Highlights
For the Twelve Months Period Ended March 31, 2013
Compared to the Twelve Months Period Ended March 31, 2012

	Budget Var.	Mar-13	Mar-12	Inc. (Dec.)
Total Revenue	-\$55,914.53	\$ 2,797,139.47	\$ 2,828,438.06	\$ (31,298.59)
■ Total Operating Revenue	-\$48,093.63	\$ 2,733,160.37	\$ 2,773,949.50	\$ (40,789.13)
❖ Total Net Non Operating Revenue	-\$7,820.90	\$ 63,979.10	\$ 54,488.56	\$ 9,490.54
○ Total Expenses	-\$126,282.19	\$ 2,732,501.81	\$ 2,652,394.18	\$ 80,107.63
Increase(Dec.) Net Assets for Period		\$ 64,637.66	\$ 176,043.88	\$ (111,406.22)
Total Checking and Savings		\$ 236,140.60	\$ 147,717.10	\$ 88,423.50
Total Assets		\$ 2,883,103.20	\$ 2,908,396.49	\$ (25,293.29)
Full-Time/Part-time Employees		14/1	13/1	0/0

Revenues were \$55,914 under budget primarily due to exam fee revenue.
 Actual expenses were \$126,282 under budget primarily due to exam sitting
 and grading fees.

- Total operating revenue decreased this period compared to last by \$40,789
 primarily due to a decrease in exam fee revenue.
- ❖ Total net non operating revenue increased this period compared to last by \$9,490
 primarily due to an increase in rental income.
- Total expenses increased this period compared to last by \$80,107 primarily due to
 an increase in salaries due to the hiring of Deputy Director.

04/10/13

NC Board of CPA Examiners
Statement of Net Position
 As of March 31, 2013

	Mar 31, 13	Mar 31, 12
ASSETS		
Current Assets		
Checking/Savings		
1074 · Trust Atlantic Bank - MMA	17,071.22	0.00
1023 · BB&T Disciplinary Clearing Acct	0.00	1,335.00
1020 · BB&T Checking Acct	205,077.02	32,660.92
1021 · BB&T Savings Account	13,892.36	113,621.18
1030 · BB&T Payroll Acct	100.00	100.00
Total Checking/Savings	236,140.60	147,717.10
Other Current Assets		
1110 · Accrued CD Interest	411.47	0.00
1050 · CD Investments - Current	1,018,284.19	660,614.81
1165 · Deferred Lease Commissions	4,945.44	4,945.44
1125 · Accts Rec Civil Penalties	7,750.00	8,000.00
1120 · Accounts Receivable	-13.36	1,126.10
Total Other Current Assets	1,031,377.74	674,686.35
Total Current Assets	1,267,518.34	822,403.45
Fixed Assets		
1330 · Land Improvement	9,240.90	0.00
1300 · Building	917,143.10	917,143.10
1305 · Land	300,000.00	300,000.00
1306 · Vehicle	26,622.40	26,622.40
1310 · Furniture	113,918.90	113,918.90
1320 · Equipment	206,082.29	201,613.37
1325 · Data Base Software	180,336.18	180,336.18
1390 · Accumulated Depreciation	-774,758.91	-709,633.91
Total Fixed Assets	978,584.86	1,030,000.04
Other Assets		
1250 · CD Investments Non-Current	637,000.00	1,055,993.00
Total Other Assets	637,000.00	1,055,993.00
TOTAL ASSETS	2,883,103.20	2,908,396.49
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	549.96	16,871.89
Total Accounts Payable	549.96	16,871.89
Other Current Liabilities		
2040 · Accounts Payable Civil Penalty	6,975.00	7,040.00
2005 · Due to Exam Vendors	451,409.85	474,493.87
2090 · Deferred Certificate Renewl Fee	720.00	51,180.00
Total Other Current Liabilities	459,104.85	532,713.87
Total Current Liabilities	459,654.81	549,585.76

04/10/13

NC Board of CPA Examiners
Statement of Net Position
As of March 31, 2013

	<u>Mar 31, 13</u>	<u>Mar 31, 12</u>
Long Term Liabilities		
2020 · Accrued Vacation	77,458.20	77,458.20
Total Long Term Liabilities	<u>77,458.20</u>	<u>77,458.20</u>
Total Liabilities	537,113.01	627,043.96
Net Assets		
3010 · Net Assets Invest in Cap Assets	978,584.86	1,030,000.04
3020 · Designated for Capital Assets	100,000.00	300,000.00
3031 · Designated-Operating Expenses	300,000.00	300,000.00
3040 · Designated for Litigation	750,000.00	500,000.00
3900 · Net Assets Undesignated	152,767.67	-24,691.39
Change in Net Assets	64,637.66	176,043.88
Total Net Assets	<u>2,345,990.19</u>	<u>2,281,352.53</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>2,883,103.20</u></u>	<u><u>2,908,396.49</u></u>

04/10/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through March 2013

	Apr '12 - M...	Budget	\$ Over Bu...
Ordinary Income/Expense			
Income			
Certificate Fees			
4110 · Certificates - Initial	53,500.00	54,300.00	-800.00
4120 · Certificates - Reciprocal	24,300.00	24,000.00	300.00
4121 · Certificates - Recip/Temp	0.00	0.00	0.00
4130 · Certificates - Temporary	0.00	0.00	0.00
4131 · Certificates - Temp Renewal	0.00	0.00	0.00
4140 · Certificates - Renewal Fees	1,127,400.00	1,128,000.00	-600.00
4150 · Certificates - Reinst/Revoked	3,700.00	0.00	3,700.00
4151 · Certificates - Reinst/Surr	7,700.00	10,800.00	-3,100.00
4152 · Certificates - Reinst/Retired	0.00	0.00	0.00
4160 · Certificates - Notification	0.00	0.00	0.00
4161 · Certificate - Notification Rnw	0.00	0.00	0.00
Total Certificate Fees	1,216,600.00	1,217,100.00	-500.00
Exam Fee Revenue			
4001 · Initial Adm Fees	220,805.00	208,840.00	11,965.00
4002 · Re-Exam Adm Fees	156,975.00	163,725.00	-6,750.00
4004 · Exam Fees Revenue	1,079,729.12	1,147,000.00	-67,270.88
4060 · Equivalency Exam Fees	0.00	0.00	0.00
4070 · Transfer Exam Grade Credit	0.00	0.00	0.00
4071 · Exam Review Fees	0.00	1,450.00	-1,450.00
4072 · Exam Scholarship Coupon	-21,793.25	-41,941.00	20,147.75
Total Exam Fee Revenue	1,435,715.87	1,479,074.00	-43,358.13
Misc			
4910 · Educational Program Fees	-50.00	0.00	-50.00
4970 · Duplicate Certificates	1,175.00	0.00	1,175.00
4980 · Copies	0.00	0.00	0.00
4990 · Miscellaneous	714.50	3,720.00	-3,005.50
Total Misc	1,839.50	3,720.00	-1,880.50
Partnership Fees			
4260 · Partnership Registration Fees	0.00	4,730.00	-4,730.00
4261 · Partnership Renewal Fees	37,810.00	38,030.00	-220.00
Total Partnership Fees	37,810.00	42,760.00	-4,950.00
Professional Corporation Fees			
4250 · PC Registration Fees	5,250.00	4,600.00	650.00
4251 · PC Renewal Fees	35,925.00	34,000.00	1,925.00
4252 · PC Renewal Fees W/Penalties	20.00	0.00	20.00
Total Professional Corporation Fees	41,195.00	38,600.00	2,595.00
Total Income	2,733,160.37	2,781,254.00	-48,093.63
Expense			
6900 · Bad Debit Expense	981.71		
6690 · Over & Short	-0.08	0.00	-0.08

04/10/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through March 2013

	<u>Apr '12 - M...</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
Fringe Benefits			
5031 · Retirement - NCLB Contribution	49,060.61	55,495.00	-6,434.39
5033 · Retirement - NCLB Administr	2,164.89	3,500.00	-1,335.11
5035 · Health Ins. Premiums	107,932.35	125,678.00	-17,745.65
5036 · Medical Reim Plan	34,297.96	39,000.00	-4,702.04
5038 · Unemployment Claims	4,701.95	4,800.00	-98.05
Total Fringe Benefits	198,157.76	228,473.00	-30,315.24
Board Travel			
5120 · Board Travel - Board Meetings	20,607.55	23,520.00	-2,912.45
5121 · Board Travel - Prof Meetings	285.33	0.00	285.33
5122 · Board Travel - NASBA Annual	8,367.03	9,000.00	-632.97
5123 · Board Travel - NASBA Regional	5,034.00	9,675.00	-4,641.00
5124 · Board Travel - NASBA Committees	0.00	0.00	0.00
5125 · Board Travel - AICPA/NASBA	0.00	5,800.00	-5,800.00
5126 · Board Travel - NCACPA Annual	0.00	0.00	0.00
5127 · Board Travel - NCACPA/Board	3,034.24	3,000.00	34.24
5128 · Board Travel - AICPA Committees	0.00	0.00	0.00
5129 · Miscellaneous Board Costs	2,406.78	4,450.00	-2,043.22
5133 · Board Travel - NASBA CPE	0.00	0.00	0.00
Total Board Travel	39,734.93	55,445.00	-15,710.07
Building Expenses			
5800 · Building Maintenance	1,021.05	1,500.00	-478.95
5801 · Electricity	11,467.23	12,000.00	-532.77
5802 · Grounds Maintenance	1,960.81	11,700.00	-9,739.19
5803 · Heat & Air Maintenance	5,118.49	5,800.00	-681.51
5804 · Improvements	5,619.00	7,730.00	-2,111.00
5805 · Insurance	4,218.00	3,500.00	718.00
5807 · Janitorial Maintenance	5,700.00	6,000.00	-300.00
5808 · Pest Control Service	0.00	200.00	-200.00
5809 · Security & Fire Alarm	2,372.31	2,000.00	372.31
5810 · Trash Collection	320.63	0.00	320.63
5811 · Water & Sewer	823.08	1,100.00	-276.92
Total Building Expenses	38,620.60	51,530.00	-12,909.40
Continuing Education -Staff			
5050 · Continuing Education - Staff	3,133.20	2,750.00	383.20
5051 · Continuing Education - RNB	0.00	0.00	0.00
5052 · Continuing Education - Computer	0.00	0.00	0.00
Total Continuing Education -Staff	3,133.20	2,750.00	383.20
Exam Postage			
5531 · Exam Postage	1,380.00	1,300.00	80.00
Total Exam Postage	1,380.00	1,300.00	80.00
Exam Printing			
5533 · Exam Printing	0.00	0.00	0.00
Total Exam Printing	0.00	0.00	0.00

04/10/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through March 2013

	Apr '12 - M...	Budget	\$ Over Bu...
Exam Sitting and Grading			
5538 · Exam Vendor Expense	979,864.07	1,077,000.00	-97,135.93
Total Exam Sitting and Grading	979,864.07	1,077,000.00	-97,135.93
Exam Supplies			
5532 · Exam Supplies	0.00	0.00	0.00
Total Exam Supplies	0.00	0.00	0.00
Exam Temporary Staff			
5530-10 · Temp Employees - May	0.00	0.00	0.00
5530-20 · Temp Employees - Nov	0.00	0.00	0.00
Total Exam Temporary Staff	0.00	0.00	0.00
Investigation & Hearing Costs			
5220 · Investigator Fees	0.00	0.00	0.00
5221 · Staff Investigation Costs	0.00	0.00	0.00
5222 · Investigation Materials	8,507.95	8,000.00	507.95
5230 · Hearing Costs	3,260.10	5,000.00	-1,739.90
5231 · Rule-Making Hearing Costs	0.00	0.00	0.00
5232 · Legal Advertising	255.00	0.00	255.00
5250 · Administrative Cost Assessed	-7,031.50	-4,500.00	-2,531.50
5260 · Civil Penalties Assessed	-21,100.00	-10,500.00	-10,600.00
5261 · Civil Penalties Remitted	19,686.44	0.00	19,686.44
Total Investigation & Hearing Costs	3,577.99	-2,000.00	5,577.99
Legal Expense			
5140 · Legal Counsel - Administrative	15,226.94	24,000.00	-8,773.06
5141 · Legal Counsel - Spec Projects	0.00	0.00	0.00
5210 · Legal Counsel - Prof Standards	18,489.00	17,495.00	994.00
5211 · Legal Counsel - Litigation	15.00	5,000.00	-4,985.00
Total Legal Expense	33,730.94	46,495.00	-12,764.06
Misc Personnel			
5034 · Misc. Payroll Deduction	0.00	600.00	-600.00
5037 · HSA Deduction	-93.00	0.00	-93.00
5090 · Flowers, Gifts, Etc.	0.00	0.00	0.00
5091 · Staff Recruiting	714.00	0.00	714.00
5092 · Misc. Personnel Costs	2,160.74	2,400.00	-239.26
Total Misc Personnel	2,781.74	3,000.00	-218.26
Office Expense			
5301 · Equipment Rent	889.81	800.00	89.81
5310 · Decorations	127.00	100.00	27.00
5320 · Payroll Service	1,819.08	1,800.00	19.08
5360 · Telephone	6,805.52	7,000.00	-194.48
5361 · Internet & Website	3,830.75	15,000.00	-11,169.25
5390 · Clipping Service	3,988.26	4,500.00	-511.74
5400 · Computer Prog/Assistance	1,740.00	1,000.00	740.00
5405 · Computer Software Maintenance	36,403.34	42,000.00	-5,596.66
5410 · Dues	8,375.00	8,500.00	-125.00
5420 · Insurance	14,157.00	9,500.00	4,657.00
5430 · Audit Fees	7,400.00	7,400.00	0.00
5435 · Consulting Services	0.00	1,200.00	-1,200.00

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NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through March 2013

	Apr '12 - M...	Budget	\$ Over Bu...
5440 · Misc Office Expense	642.50	1,000.00	-357.50
5445 · Banking Fees	3,744.87	4,200.00	-455.13
5450 · Credit Card Fees	40,282.55	44,000.00	-3,717.45
Total Office Expense	130,205.68	148,000.00	-17,794.32
Per Diem - Board			
5110 · Per Diem - Board Meetings	9,156.64	12,000.00	-2,843.36
5111 · Per Diem - Prof Meetings	2,637.52	4,000.00	-1,362.48
5112 · Per Diem - NASBA Annual	1,500.00	3,500.00	-2,000.00
5113 · Per Diem - NASBA Regional	1,000.00	2,000.00	-1,000.00
5114 · Per Diem - NASBA Committees	1,800.00	0.00	1,800.00
5115 · Per Diem - AICPA/NASBA	0.00	0.00	0.00
5116 · Per Diem - NCACPA Annual	0.00	0.00	0.00
5117 · Per Diem - NCACPA/Board	350.00	0.00	350.00
5118 · Per Diem - AICPA Committees	0.00	0.00	0.00
5119 · Per Diem - Miscellaneous	0.00	0.00	0.00
5130 · Clerical Reimbursement	0.00	1,750.00	-1,750.00
5135 · Per Diem - NASBA CPE	0.00	0.00	0.00
Total Per Diem - Board	16,444.16	23,250.00	-6,805.84
Postage			
5340 · Postage-Other	15,610.31	15,500.00	110.31
5341 · Postage - Newsletter	67,341.19	60,000.00	7,341.19
5342 · Postage - Business Reply	2,760.00	2,500.00	260.00
5343 · Postage - Renewal	2,070.00	2,000.00	70.00
5344 · Postage - Rulebook	0.00	0.00	0.00
Total Postage	87,781.50	80,000.00	7,781.50
Printing			
5330 · Printing - Other	7,826.97	5,000.00	2,826.97
5331 · Printing - Newsletter	45,020.65	50,000.00	-4,979.35
5332 · Printing - Special Projects	0.00	0.00	0.00
5333 · Printing - Renewal	0.00	0.00	0.00
5334 · Printing - Rulebook	0.00	0.00	0.00
5335 · Mailing Label Printing	0.00	0.00	0.00
Total Printing	52,847.62	55,000.00	-2,152.38
Repairs & Maintenance			
5380 · Repairs - Misc.	0.00	0.00	0.00
5381 · Maintenance - Copiers	2,397.38	2,500.00	-102.62
5382 · Maintenance - Computer	0.00	1,975.00	-1,975.00
5383 · Maintenance - Postage	550.00	525.00	25.00
Total Repairs & Maintenance	2,947.38	5,000.00	-2,052.62
Salaries & Payroll Taxes			
5010 · Staff Salaries	920,733.04	924,919.00	-4,185.96
5020 · Part-Time Staff Salaries	11,661.25	13,550.00	-1,888.75
5021 · Temporary Contractors	26.71	0.00	26.71
5030 · FICA Taxes	68,914.12	71,792.00	-2,877.88
Total Salaries & Payroll Taxes	1,001,335.12	1,010,261.00	-8,925.88

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NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through March 2013

	Apr '12 - M...	Budget	\$ Over Bu...
Scholarships			
5535 · Scholarship	13,000.00	10,000.00	3,000.00
Total Scholarships	13,000.00	10,000.00	3,000.00
Staff Travel			
5060 · Staff Travel - Local	1,057.09	1,250.00	-192.91
5061 · Staff Travel - Prof Mtgs	904.03	3,550.00	-2,645.97
5062 · Staff Travel - NASBA CPE	0.00	0.00	0.00
5063 · Staff Travel - NASBA Ethics	0.00	0.00	0.00
5070 · Staff Travel - NASBA Annual	9,072.29	9,400.00	-327.71
5071 · Staff Travel - NASBA Regional	4,235.97	5,505.00	-1,269.03
5072 · Staff Travel - NASBA Administr	20,394.64	21,375.00	-980.36
5073 · Staff Travel - NASBA Committee	-1,079.50	0.00	-1,079.50
5074 · Staff Travel - AICPA	2,668.04	1,200.00	1,468.04
5075 · Staff Travel - NCACPA Annual	33.07	0.00	33.07
5076 · Staff Travel - NCACPA/Board	1,297.00	0.00	1,297.00
5077 · Staff Travel - Clear Conference	785.11	0.00	785.11
5078 · Staff Travel - Vehicle	5,151.06	6,000.00	-848.94
5080 · Staff Travel - Univ Dialogue	196.90	0.00	196.90
Total Staff Travel	44,715.70	48,280.00	-3,564.30
Subscriptions/References			
5370 · Subscriptions/References	3,709.56	3,000.00	709.56
Total Subscriptions/References	3,709.56	3,000.00	709.56
Supplies			
5350 · Supplies - Office	5,768.88	6,000.00	-231.12
5351 · Supplies - Copier	1,894.60	3,600.00	-1,705.40
5352 · Supplies - Computer	4,763.75	2,400.00	2,363.75
5353 · Supplies - Special Projects	0.00	0.00	0.00
Total Supplies	12,427.23	12,000.00	427.23
5920 · Funded Depreciation	65,125.00	0.00	65,125.00
6999 · Uncategorized Expenses	0.00	0.00	0.00
9999 · Suspense	0.00	0.00	0.00
Total Expense	2,732,501.81	2,858,784.00	-126,282.19
Net Ordinary Income	658.56	-77,530.00	78,188.56
Other Income/Expense			
Other Income			
8250 · Gift Card Revenue	8,700.00	18,000.00	-9,300.00
Interest Income			
8500 · Interest Income - MMAs	555.93	0.00	555.93
8505 · Interest Income - BB&T BUS IDA	0.00	0.00	0.00
8510 · Interest Income - CDs	24,423.17	23,800.00	623.17
8520 · Interest Income - Prudential TB	0.00	0.00	0.00
8530 · Interest Income - Wachovia MM	0.00	0.00	0.00
Total Interest Income	24,979.10	23,800.00	1,179.10

04/10/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through March 2013

	Apr '12 - M...	Budget	\$ Over Bu...
8200 · Rental Income	30,300.00	30,000.00	300.00
8920 · Gain on Sale of Fixed Assets	0.00	0.00	0.00
8921 · Loss on Sale of Fixed Assets	0.00	0.00	0.00
Total Other Income	63,979.10	71,800.00	-7,820.90
Other Expense			
7000 · Leasing Commission	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00
Net Other Income	63,979.10	71,800.00	-7,820.90
Change in Net Assets	64,637.66	-5,730.00	70,367.66

04/10/13

NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr '12 - Ma...	Apr '11 - Ma...
Ordinary Income/Expense		
Income		
Certificate Fees		
4110 · Certificates - Initial	53,500.00	54,300.00
4120 · Certificates - Reciprocal	24,300.00	23,800.00
4121 · Certificates - Recip/Temp	0.00	200.00
4140 · Certificates - Renewal Fees	1,127,400.00	1,104,220.01
4150 · Certificates - Reinst/Revoked	3,700.00	3,600.00
4151 · Certificates - Reinst/Surr	7,700.00	7,000.00
4152 · Certificates - Reinst/Retired	0.00	180.00
Total Certificate Fees	1,216,600.00	1,193,300.01
Exam Fee Revenue		
4001 · Initial Adm Fees	220,805.00	208,840.00
4002 · Re-Exam Adm Fees	156,975.00	163,725.00
4004 · Exam Fees Revenue	1,079,729.12	1,139,984.74
4071 · Exam Review Fees	0.00	1,450.00
4072 · Exam Scholarship Coupon	-21,793.25	-19,329.75
Total Exam Fee Revenue	1,435,715.87	1,494,669.99
Misc		
4910 · Educational Program Fees	-50.00	0.00
4970 · Duplicate Certificates	1,175.00	525.00
4990 · Miscellaneous	714.50	3,194.50
Total Misc	1,839.50	3,719.50
Partnership Fees		
4260 · Partnership Registration Fees	0.00	4,730.00
4261 · Partnership Renewal Fees	37,810.00	38,030.00
Total Partnership Fees	37,810.00	42,760.00
Professional Corporation Fees		
4250 · PC Registration Fees	5,250.00	4,600.00
4251 · PC Renewal Fees	35,925.00	34,850.00
4252 · PC Renewal Fees W/Penalties	20.00	50.00
Total Professional Corporation Fees	41,195.00	39,500.00
Total Income	2,733,160.37	2,773,949.50
Expense		
6900 · Bad Debit Expense	981.71	0.00
6690 · Over & Short	-0.08	-282.71
Fringe Benefits		
5031 · Retirement - NCLB Contribution	49,060.61	49,645.66
5033 · Retirement - NCLB Administr	2,164.89	2,626.55
5035 · Health Ins. Premiums	107,932.35	96,839.77
5036 · Medical Reim Plan	34,297.96	29,314.96
5038 · Unemployment Claims	4,701.95	0.00
Total Fringe Benefits	198,157.76	178,426.94

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NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr '12 - Ma...	Apr '11 - Ma...
Board Travel		
5120 · Board Travel - Board Meetings	20,607.55	18,790.67
5121 · Board Travel - Prof Meetings	285.33	808.58
5122 · Board Travel - NASBA Annual	8,367.03	7,644.41
5123 · Board Travel - NASBA Regional	5,034.00	8,711.25
5124 · Board Travel - NASBA Committees	0.00	200.00
5127 · Board Travel - NCACPA/Board	3,034.24	0.00
5128 · Board Travel - AICPA Committees	0.00	167.40
5129 · Miscellaneous Board Costs	2,406.78	133.20
Total Board Travel	39,734.93	36,455.51
Building Expenses		
5800 · Building Maintenance	1,021.05	476.12
5801 · Electricity	11,467.23	5,142.22
5802 · Grounds Maintenance	1,960.81	19,028.00
5803 · Heat & Air Maintenance	5,118.49	5,749.00
5804 · Improvements	5,619.00	445.48
5805 · Insurance	4,218.00	3,482.00
5807 · Janitorial Maintenance	5,700.00	5,716.10
5808 · Pest Control Service	0.00	125.00
5809 · Security & Fire Alarm	2,372.31	2,039.49
5810 · Trash Collection	320.63	453.03
5811 · Water & Sewer	823.08	909.42
Total Building Expenses	38,620.60	43,565.86
Continuing Education -Staff		
5050 · Continuing Education - Staff	3,133.20	1,850.25
Total Continuing Education -Staff	3,133.20	1,850.25
Exam Postage		
5531 · Exam Postage	1,380.00	1,259.31
Total Exam Postage	1,380.00	1,259.31
Exam Sitting and Grading		
5538 · Exam Vendor Expense	979,864.07	1,036,109.59
Total Exam Sitting and Grading	979,864.07	1,036,109.59
Investigation & Hearing Costs		
5221 · Staff Investigation Costs	0.00	40.00
5222 · Investigation Materials	8,507.95	8,768.06
5230 · Hearing Costs	3,260.10	5,828.79
5232 · Legal Advertising	255.00	0.00
5250 · Administrative Cost Assessed	-7,031.50	-18,426.50
5260 · Civil Penalties Assessed	-21,100.00	-158,435.00
5261 · Civil Penalties Remitted	19,686.44	138,875.56
Total Investigation & Hearing Costs	3,577.99	-23,349.09
Legal Expense		
5140 · Legal Counsel - Administrative	15,226.94	18,735.00
5210 · Legal Counsel - Prof Standards	18,489.00	39,075.00
5211 · Legal Counsel - Litigation	15.00	4,230.00
Total Legal Expense	33,730.94	62,040.00

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NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr '12 - Ma...	Apr '11 - Ma...
Misc Personnel		
5034 · Misc. Payroll Deduction	0.00	0.00
5037 · HSA Deduction	-93.00	0.00
5090 · Flowers, Gifts, Etc.	0.00	69.59
5091 · Staff Recruiting	714.00	227.11
5092 · Misc. Personnel Costs	2,160.74	2,089.14
Total Misc Personnel	2,781.74	2,385.84
Office Expense		
5301 · Equipment Rent	889.81	868.64
5310 · Decorations	127.00	1,503.45
5320 · Payroll Service	1,819.08	1,752.02
5360 · Telephone	6,805.52	6,821.95
5361 · Internet & Website	3,830.75	14,903.29
5390 · Clipping Service	3,988.26	4,368.92
5400 · Computer Prog/Assistance	1,740.00	2,965.00
5405 · Computer Software Maintenance	36,403.34	32,735.36
5410 · Dues	8,375.00	8,055.00
5420 · Insurance	14,157.00	9,288.00
5430 · Audit Fees	7,400.00	7,125.00
5435 · Consulting Services	0.00	1,105.00
5440 · Misc Office Expense	642.50	17.55
5445 · Banking Fees	3,744.87	4,144.23
5450 · Credit Card Fees	40,282.55	43,296.53
Total Office Expense	130,205.68	138,949.94
Per Diem - Board		
5110 · Per Diem - Board Meetings	9,156.64	7,300.00
5111 · Per Diem - Prof Meetings	2,637.52	0.00
5112 · Per Diem - NASBA Annual	1,500.00	1,800.00
5113 · Per Diem - NASBA Regional	1,000.00	1,300.00
5114 · Per Diem - NASBA Committees	1,800.00	858.18
5117 · Per Diem - NCACPA/Board	350.00	0.00
Total Per Diem - Board	16,444.16	11,258.18
Postage		
5340 · Postage-Other	15,610.31	22,684.70
5341 · Postage - Newsletter	67,341.19	49,649.58
5342 · Postage - Business Reply	2,760.00	2,469.14
5343 · Postage - Renewal	2,070.00	1,888.97
Total Postage	87,781.50	76,692.39
Printing		
5330 · Printing - Other	7,826.97	5,002.79
5331 · Printing - Newsletter	45,020.65	49,312.18
Total Printing	52,847.62	54,314.97
Repairs & Maintenance		
5381 · Maintenance - Copiers	2,397.38	2,142.27
5382 · Maintenance - Computer	0.00	2,878.73
5383 · Maintenance - Postage	550.00	525.00
Total Repairs & Maintenance	2,947.38	5,546.00

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NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr '12 - Ma...	Apr '11 - Ma...
Salaries & Payroll Taxes		
5010 · Staff Salaries	920,733.04	826,908.45
5020 · Part-Time Staff Salaries	11,661.25	13,563.89
5021 · Temporary Contractors	26.71	0.00
5030 · FICA Taxes	68,914.12	61,861.33
Total Salaries & Payroll Taxes	1,001,335.12	902,333.67
Scholarships		
5535 · Scholarship	13,000.00	6,000.00
Total Scholarships	13,000.00	6,000.00
Staff Travel		
5060 · Staff Travel - Local	1,057.09	2,318.76
5061 · Staff Travel - Prof Mtgs	904.03	2,071.42
5070 · Staff Travel - NASBA Annual	9,072.29	6,402.92
5071 · Staff Travel - NASBA Regional	4,235.97	4,944.98
5072 · Staff Travel - NASBA Administr	20,394.64	17,659.93
5073 · Staff Travel - NASBA Committee	-1,079.50	730.38
5074 · Staff Travel - AICPA	2,668.04	2,094.03
5075 · Staff Travel - NCACPA Annual	33.07	24.44
5076 · Staff Travel - NCACPA/Board	1,297.00	27.54
5077 · Staff Travel - Clear Conference	785.11	0.00
5078 · Staff Travel - Vehicle	5,151.06	4,777.06
5080 · Staff Travel - Univ Dialogue	196.90	0.00
Total Staff Travel	44,715.70	41,051.46
Subscriptions/References		
5370 · Subscriptions/References	3,709.56	2,856.50
Total Subscriptions/References	3,709.56	2,856.50
Supplies		
5350 · Supplies - Office	5,768.88	5,634.32
5351 · Supplies - Copier	1,894.60	1,779.09
5352 · Supplies - Computer	4,763.75	2,392.13
Total Supplies	12,427.23	9,805.54
5920 · Funded Depreciation	65,125.00	65,124.03
9999 · Suspense	0.00	0.00
Total Expense	2,732,501.81	2,652,394.18
Net Ordinary Income	658.56	121,555.32
Other Income/Expense		
Other Income		
8250 · Gift Card Revenue	8,700.00	13,050.00
Interest Income		
8500 · Interest Income - MMAs	555.93	0.00
8510 · Interest Income - CDs	24,423.17	31,951.74
Total Interest Income	24,979.10	31,951.74

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NC Board of CPA Examiners
Statement of Revenues & Expenses
Year-to-Date Comparison

	Apr '12 - Ma...	Apr '11 - Ma...
8200 · Rental Income	30,300.00	10,000.00
8920 · Gain on Sale of Fixed Assets	0.00	105.00
Total Other Income	63,979.10	55,106.74
Other Expense		
7000 · Leasing Commission	0.00	618.18
Total Other Expense	0.00	618.18
Net Other Income	63,979.10	54,488.56
Change in Net Assets	64,637.66	176,043.88

Memorandum of Agreement

[Revised March 28, 2013]

Background

Compliance with Generally Accepted Government Auditing Standards (GAGAS) and the overall quality of work performed are concerns to the undersigned on behalf of their organizations. In 2005, representatives from state government agencies and the public accounting profession came together to focus on known problems and discuss solutions. One of the solutions agreed upon by all parties was a quality review and referral process. Since then, the undersigned parties have discussed current circumstances and amended the process as described below.

The parties agree that the process represents an effective means of addressing concerns about governmental audit quality. To ensure that the agreement continues to effectively serve its intended purpose, all parties agree to reconsider the provisions of this agreement on an every-other-year basis or in the event that circumstances change to warrant reconsideration.

Process

Local Government Commission (LGC):

Representatives from the LGC, a section within the Department of State Treasurer, routinely receive annual audit reports and perform desk reviews on those reports. LGC representatives issue "white papers" to document this process and then work with CPA firms to correct reporting deficiencies and errors in these audit reports while addressing deficiencies noted in those "white papers."

The North Carolina State Board of CPA Examiners (State Board), in accordance with state public records law (G.S. Chapter 132), will request, and the LGC staff will provide, copies of "white papers" for rejected audits to the State Board. If, during the course of fulfilling its responsibilities for overseeing local government audits, the LGC obtains other information indicating that there is a significant risk of substandard audits being performed, such information will be provided to the Office of the State Auditor (OSA) and the State Board.

Office of the State Auditor (OSA):

The OSA places reliance on local government audit reports when reporting on the State of North Carolina's compliance with requirements applicable to major federal programs. In particular, local governments perform a portion of the eligibility function for the State of North Carolina, and this function is audited by local CPAs. To help substantiate the basis for reliance on the other auditors' work, the OSA performs reviews of audit documentation related to certain federal program eligibility.

The OSA may find it necessary to review other auditors' work for other reasons. For example, based on the review of an audit contract, report for a state entity or an entity receiving state

funds, or referral from the LGC, the OSA may conclude that a review of the audit documentation is warranted.

At the conclusion of any of these reviews, the OSA provides the reviewed auditor with a letter of comments outlining recommended audit improvements and also requests a written response from the CPA firm. Based on the written response, the OSA may adjust its letter of comments.

The State Board, in accordance with state public records law (G.S. Chapter 132), will request, and the OSA will provide, copies of the final letters of comments, responses, and any related correspondence to the State Board.

North Carolina State Board of CPA Examiners (State Board):

State Board staff identifies risks of substandard audits through sources such as official complaints received, referrals from governmental agencies (including the LGC and OSA), and internal risk assessments performed by the State Board. Once a risk of a substandard audit is identified and assessed, the State Board staff may open a case for investigation. Cases opened are not public information.

State Board staff and staff attorney will present the case to the Professional Standards Committee which will determine if further action needs to be taken.

Nothing in this Agreement is intended to limit the authority of the State Board or dictate any particular course of action under that authority in matters dealing with compliance with standards.

North Carolina Association of CPAs (NCACPA):

The NCACPA, a voluntary membership association, will acknowledge and promote the process described above to its members so they are aware of the efforts to improve compliance with Generally Accepted Governmental Auditing Standards (GAGAS.) The NCACPA will continue to offer high quality professional development programs to enhance the competency of NC CPAs.

Local Government Commission

Date

Office of the State Auditor

Date

North Carolina State Board of CPA Examiners

Date

North Carolina Association of CPAs

Date